



REPLY TO  
ATTENTION OF

**DEPARTMENT OF THE ARMY**  
**HEADQUARTERS UNITED STATES ARMY FORCES COMMAND**  
**1777 HARDEE AVENUE SW**  
**FORT MCPHERSON GEORGIA 30330-1062**

AFLG-PRO

17 Sep 99

MEMORANDUM FOR SEE DISTRIBUTION

SUBJECT: Contracting Information Letter (CIL) 99-44, Designation of Army Point of Contact (POC) for Government-Wide Agency Contracts, Blanket Purchase Agreements, Indefinite Delivery/Indefinite Quantity Contracts, and Army and DoD Enterprise Agreements

1. Reference

a. CECOM Clarifications issued to DISC4 Message R231312Z Jun 99, Designation of Army Point of Contact (POC) for Government-wide Agency Contracts (GWACs), Blanket Purchase Agreements (BPAs), Indefinite Delivery Indefinite Quantity (IDIQ) Contracts, and Army and DOD Enterprise Agreements (encl 1)

b. Army Procurement Policy Alert Bulletin, 99-003, dated 29 Jul 99, Item 5 (encl 1).

c. DISC4 Message R231312Z Jun 99, Designation of Army Point of Contact (POC) for Government-wide Agency Contracts (GWACs), Blanket Purchase Agreements (BPAs), Indefinite Delivery Indefinite Quantity (IDIQ) Contracts, and Army and DOD Enterprise Agreements (encl 2)

d. DISC4 Memorandum, Designation of Army Point of Contract (POC) for Government-wide Agency Contracts (GWAC), Blanket Purchase Agreements (BPA), and Enterprise License Agreements, 16 Oct 98 (encl 3).

e. Army Procurement Policy Alert Bulletin, 97-012, dated 25 Sep 97, Indefinite Delivery (ID) Contracts (encl 4).

f. DISC4 Memorandum, Designation of Army Point of Contact (POC) for Government-wide Agency Contracts (GWAC), 6 Apr 93 (encl 5)

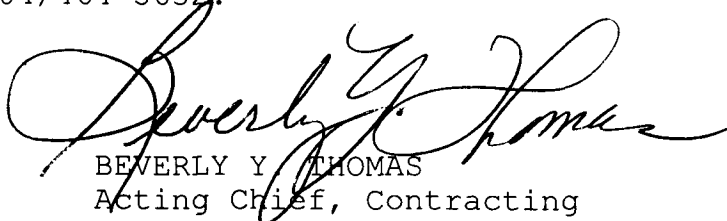
AFLG-PRO

SUBJECT: Contracting Information Letter (CIL) 99-44, Designation of Army Point of Contact (POC) for Government-Wide Agency Contracts, Blanket Purchase Agreements, Indefinite Delivery/Indefinite Quantity Contracts, and Army and DoD Enterprise Agreements

2. Several MACOMs raised questions to CECOM about what was required to coordinate with SCP or even whether coordination was required at all based on their local procurement status. CECOM issued the clarifications. In the clarifications, SCP attempts to clarify the points questioned by users referencing the DISC4 message. Enclosure 1 is the verbatim clarifications issued by CECOM.

3. For additional information, please contact Irene Hamm hammi@forscom.army.mil or 404/464-5632.

6 Encls

A handwritten signature in black ink, appearing to read "Beverly Y. Thomas". The signature is fluid and cursive, with the first name "Beverly" being more prominent and the last name "Thomas" written in a more compact, stylized manner.

BEVERLY Y. THOMAS  
Acting Chief, Contracting  
Division, DCSLOG  
Acting Principal Assistant  
Responsible for Contracting

**30 July 1999**

**Prepared by: Army Small Computer Program**

**Clarification - RE:**

**23 JUN 99 DISC4 MSG - Subject: Designation of Army Point of Contact (POC) for Government-Wide Agency Contracts (GWACs), Blanket Purchase Agreements (BPAs), Indefinite Delivery - Indefinite Quantity (IDIQ) Contracts, and Army and DoD Enterprise Agreements.**

**Paragraph 3:**

Agencies planning to award new BPAs and IDIQ contracts must consult with SCP to prevent duplication of efforts. Use of PM SCP existing contracts is encouraged.

Interpretation: Before awarding new BPAs or IDIQs agencies must consult with SCP.

- Formal waiver is required, SCP should document to the agency whether current SCP BPAs or IDIQs can meet their requirements.
- *Documentation required from agency:* Core Specification, Statement of Work, or Statement of Objectives. Brief analysis by the agency of why SCP contracts/BPAs specifically do not provide the solution(s) they need.

Note: IDIQ or BPA local procurement actions whose RFP or RFQ was released prior to 23 June 1999 are exempt from any SCP review. Local contracting activities should document their file to reflect this reason for exemption.

Interpretation: Use of existing contracts is encouraged, not mandated.

- A formal waiver from SCP is not required; however, the procuring activity should consult with SCP to determine whether SCP contracts meet their requirements. The procurement activity's file should contain reasons why SCP contracts/BPAs did not meet their requirements should they purchase IT products elsewhere.
- *Documentation requested from agency:* SCP offers to research and provide comparative quotes to agencies. To be able to provide a useful comparison, agencies should provide IT generic requirements for HW/SW/services/support, warranty/maintenance, previously quoted prices (optional), special Ts & Cs, and anticipated fielding schedules.

Note: RE: Non-SCP BPAs or IDIQs issued prior to 23 June 1999 and designated as mandatory for use by the issuing activity. Any delivery orders issued against procurements that meet the criteria mentioned are exempt from SCP review.

**Paragraph 4:**

Agencies wishing to be exempt from coordinating on GWAC orders or wishing to establish an Army/DoD Enterprise License must request a waiver from HQDA(SCP).

Interpretation: Exemption from coordinating on GWAC orders:

- The only current GWAC contract under SCP oversight as of 1 October 1999 is NASA SEWP II. Program Management personnel at NASA will not accept orders directly from individual Army customers. Therefore, there will be no waivers issued for the NASA SEWP II contracts by SCP.
- For all other GWAC contracts/BPAs there are currently no requirements to obtain a waiver from SCP because SCP does not maintain ordering oversight. This may change depending upon the requirements of the host activities for future GWAC contracts where a centralized order source per agency/service may be required.

Interpretation: To obtain a waiver to establish an Army/DoD Enterprise License:

- SCP has developed and maintains oversight of a number of Army-only Enterprise License agreements and some DoD-wide Enterprise License agreements. SCP is also aware of other Army and DoD Enterprise License agreements currently under development that may meet an agency's requirements.
- *Documentation required from the agency:*
  - IT specific hardware, software (including make and model numbers where applicable), services, training, warranty/maintenance requirements must be provided.
  - Funding availability, fielding requirements (schedule), participating activities/agencies, and seat requirements per product(s), or amount and level of projected service(s) activity must also be provided.
  - An estimate of the cost and amount of time it will require for the agency to put the required enterprise agreement in place.
  - Special agency requirements/needs that may influence the development of an enterprise agreement.




EXECUTIVE OFFICE OF THE PRESIDENT  
OFFICE OF MANAGEMENT AND BUDGET  
WASHINGTON, D.C. 20503

DEPUTY DIRECTOR  
FOR MANAGEMENT

May 21, 1999

MEMORANDUM FOR THE PRESIDENT'S MANAGEMENT COUNCIL

FROM: Deidre A. Lee   
Acting Deputy Director for Management

SUBJECT: Competition Under Multiple Award Task and Delivery  
Order Contracts

I am writing to seek your assistance in addressing the use of multiple award contracts (MACs) within your agency. MACs, which give agencies the ability to compete work efficiently among a small number of capable contractors, are an increasingly popular procurement vehicle for satisfying customer needs. They have become the vehicles of choice for intra- and inter-agency acquisitions of information technology (IT) because they allow agencies to take advantage of advances in technology and changes in agency priorities in an opportune manner. A recent report issued by the Department of Defense Inspector General, however, serves as an important reminder that MACs are only effective when they are structured, managed and administered to consistently benefit from the streamlined, commercial-style competition that occurs when we provide each of the contract holders a fair opportunity to be considered for contract work.

Last year, with your help, we moved to strengthen use of MACs and the fair opportunity process by discontinuing the practice of designating a contract holder as a preferred source for specific work. I ask for your help in building on that progress to make sure that your agency continues to use these vehicles in the most effective manner possible.

The attached memorandum reminds Agency Senior Procurement Executives to ensure that contracting officials use MACs effectively and to avoid incautious or inattentive practices (see Attachment A). It is important for customers within your agency (e.g., senior program managers, Chief Information Officer, Chief Financial Officer) to be sensitive to these matters as they work with contracting officials to plan and execute acquisitions for which MACs may be suitable. For that reason, I would appreciate the broadest distribution of the attached memorandum among those customers. In addition, if your agency manages a program for interagency acquisition, please distribute this information to those program managers as well.

If your agency wishes to request a designation from OMB to be an executive agent for a government-wide acquisition contract for IT (GWAC) pursuant to Section 5112(e) of the Clinger-Cohen Act (40 U.S.C. 1412(e)), we will consider the agency's commitment and demonstrated adherence to sound contracting principles (including those in the attached

memorandum) and procurement reforms designed to deliver good value. The policy framework we are developing to further shape the use of GWACs also will take into account other factors, such as opportunities to aggregate and leverage demand, which will help us determine whether an appropriate business case exists for the designation of an executive agent to create and administer a GWAC (see Attachment B). We hope that these ongoing efforts will further contribute to agencies' ability to make more strategic use of the government's buying power in their interagency acquisition of IT using MACs.

I appreciate your continued support toward effective administration and use of MACs within your agency.

#### Attachments

cc: Agency Senior Procurement Executives  
CIO Council  
CFO Council  
Program Managers Council



EXECUTIVE OFFICE OF THE PRESIDENT  
OFFICE OF MANAGEMENT AND BUDGET  
WASHINGTON, D.C. 20503

OFFICE OF FEDERAL  
PROCUREMENT POLICY

May 4, 1999

MEMORANDUM FOR AGENCY SENIOR PROCUREMENT EXECUTIVES

FROM: Deidre A. Lee  
Administrator *[Signature]*

SUBJECT: Competition and Multiple Award Task and Delivery  
Order Contracts

I know that you appreciate the innovation and value that competition induces, and the opportunities which multiple award task and delivery order contracts (MACs) provide for agencies to efficiently realize these benefits. A new report issued by the Department of Defense Inspector General (report no. 99-116, dated April 2, 1999) serves as an important reminder for all agencies that MACs, particularly when used for service contracting, are effective only when they are structured, managed and administered to consistently take full advantage of the fair opportunity process. For this reason, I ask that agencies keep the following points in mind when using the MAC authority in FAR Part 16.5:

- ❑ Multiple task and delivery order contracts will not enable agencies to make effective use of competition unless there are two or more contractors that are generally capable of performing all work under the proposed contract.
- ❑ While all awardees need not be equally capable in all areas, competition will be undermined if some (or all) awardees specialize in only a few areas within the broader statement of work such that, as a matter of course, two or more awardees are not likely to compete for the work.
- ❑ In order to obtain best value, task order award decisions need to take price into consideration.
- ❑ All ordering decisions, including use of one of the exceptions to the fair opportunity process described at FAR 16.505(b)(2) or the selection of a higher priced proposal because of its greater technical merit, must be properly and adequately documented. This means that rationales must contain sufficient facts to be sound.

Please disseminate this memorandum to all agency contracting personnel and take any additional steps necessary to ensure proper intra- and inter-agency use of these important procurement vehicles. Due to the increasing amount of interagency acquisition involving the placement of orders under MACs, OMB will ask the President's Management Council to share this reminder with customers of multi-agency contracts and government-wide acquisition contracts for information technology.

I will also ask the Federal Acquisition Regulatory Council to open a case to review the sufficiency of current FAR coverage to ensure competition is used effectively and ordering decisions are appropriately documented.

I appreciate your cooperation and prompt attention to this matter.

cc: Program Managers Council



**Principles for  
Government-wide Acquisitions of Information Technology**

**Principle 1. The multiple award contract (MAC) underlying the Government-wide Acquisition Contract (GWAC) will be a "model" for effective use of competition, financial incentive, and other good contracting principles.**

**a. Creation of the underlying MAC.**

- i. The initial contract must include a SOW, specs, or other description, that reasonably describes the general scope, nature, and purpose of the work to be performed thereunder to enable a prospective offeror to decide whether to submit an offer.
- ii. Public offerors must be permitted to compete along with private offerors to become contract holders, pursuant to the provisions of OMB Circular A-76, so that competition achieves the best deal for the taxpayer.
- iii. The initial contract should include provisions that reflect the government's buying power (e.g., caps on prices for defined tasks, capped hourly rates).

**b. Structuring of orders.** Performance-based work statements should be used to define tasks in sufficient detail to permit orders to be awarded on a fixed-priced basis to the maximum extent practicable.

**c. Ordering processes.** Ordering process should:

- i. incorporate a best value approach and use past performance in determining contractors for individual tasks;
- ii. to the maximum extent practicable, and unless a statutory exemption applies, ensure competition for individual, specifically-defined projects that are as narrow in scope and brief in duration as practicable, solve a specific part of an overall mission problem, and deliver a measurable net benefit independent of future tasks or orders;

- iii. ensure that longer term orders, if used, are structured with effective "off ramps" to minimize dependence on one contractor;
- iv. when practicable, incentivize offerors to invest resources in performing due diligence by quickly narrowing the scope of the fair opportunity process to leading contenders;
- v. pose no obstacle to requesting agencies' compliance with OMB Circular A-76, as applicable, with special regard to the conversion of work from in-house to GWAC contract performance; and
- vi. be easy to understand and emphasize streamlined, cost effective procedures and electronic process that minimize customer and contractor costs.

d. Small business participation. The executive agent should, to the maximum extent practicable, structure the MAC so that small businesses (including small disadvantaged and women-owned businesses) can participate at the prime or subcontract levels.

**Principle 2. The executive agent must maintain an ongoing, flexible capacity for successfully managing the acquisition of products and/or services within the scope of its designation.**

- a. Past performance. The executive agent must record and maintain information regarding contractor performance on individual orders and make it available to source selection officials to facilitate maximum practical consideration of past performance in awarding subsequent task orders for the same or similar supplies and/or services.
- b. Contract management. The executive agent must establish a contract management structure and employ adequately trained and sized staff to administer and monitor activity under contract to ensure (i) compliance with the terms of the GWAC and the designation and (ii) effective implementation of good contracting practices.
- c. Financial management. In accordance with Statement of Federal Financial Accounting Standards (SFFAS) IV: Managerial Cost Accounting Standards and Concepts for the Federal Government with support provided by the Managerial Cost Accounting Standards Guide, the executive agent shall have an accountability structure and financial systems that assure the identification, accounting, and recovery of the fully allocated actual costs.

- i. Projected total revenue and costs. Projected total revenue generated by the use of the contract shall not exceed projected actual costs. Revenues generated in excess of the agency's actual costs shall be transferred to the Treasury's Miscellaneous Receipts.
- ii. Fee adjustments. Fees should be adjusted so that total revenues do not exceed actual costs.

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SUBJECT: DESIGNATION OF ARMY POINT OF CONTACT (POC) FOR GOVERNMENT WIDE AGENCY CONTRACTS (GWACS). BLANKET PURCHASE AGREEMENTS (BFAS), INDEFINITE DELIVERY INDEFINITE QUANTITY (IDIQ) CONTRACTS, AND ARMY AND DOD ENTERPRISE AGREEMENTS

REFERENCE MEMORANDUM, DISC4, DESIGNATION OF ARMY POC FOR GOVERNMENT WIDE AGENCY CONTRACTS. 6 APRIL 1993 AND ARMY PROCUREMENT POLICY ALERT BULLETIN NO. 97-012 DATED 22 SEPTEMBER 1997.

THE PURPOSE OF THIS MEMO IS TO RE-DESIGNATE PROGRAM MANAGER SMALL COMPUTER PROGRAM (PM SCP) AS THE SINGLE POC WITHIN THE ARMY TO COORDINATE ALL GWAC ORDERS AND TO EXPAND THAT DESIGNATION TO INCLUDE ARMY/DOD ENTERPRISE LICENSE AGREEMENTS.

PRESERVING THE ARMY'S SUSTAINING BASE AND POWER PROJECTION BASE, REQUIRES SIGNIFICANT CHANGES IN THE WAY WE MANAGE AND ACQUIRE INFORMATION TECHNOLOGY. INFORMATION TECHNOLOGY (IT) IS CRUCIAL TO THE PERFORMANCE OF OUR DAILY OFFICE OPERATIONS AND WILL BE CRUCIAL TO THE WAY THE ARMED FORCES FIGHT AND WIN IN FUTURE CONFLICTS. AS WE APPROACH THE TWENTY-FIRST CENTURY, WE HAVE A UNIQUE OPPORTUNITY TO DEVELOP AND REFINE THE PRINCIPLES AND RESPONSIBILITIES FOR BETTER IT SUPPORT THAT WILL FOSTER THE ARMY'S MISSION. IT IS IMPERATIVE THAT THE ARMY LEVERAGES ITS BUYING POWER AS AN ARMY CORPORATION. THIS WILL SAVE TIME AND RESOURCES, AS WELL AS, ENHANCE BUSINESS PROCESSES.

THE ESTABLISHMENT OF IT STANDARDS AND ARCHITECTURES, AND THE USE OF STANDARD IT CONTRACTS WILL ALLOW THE MOST EFFICIENT LEVERAGING OF IT ASSETS. THE PM SCP MANAGES SEVERAL STANDARD IT CONTRACTS THAT PROMOTE THE MOST EFFICIENT AND EFFECTIVE USE OF AVAILABLE IT ASSETS. IN AN EFFORT TO UNDERSTAND THE ARMY'S REQUIREMENTS FOR SOFTWARE/HARDWARE, IT IS HIGHLY RECOMMENDED THAT AGENCIES PLANNING TO AWARD NEW BPAS AND IDIQ CONTRACTS PLEASE CONSULT WITH PM SCP IN ORDER TO PREVENT DUPLICATION OF EFFORTS. THE USE OF THE PM SCP EXISTING STANDARD IT CONTRACTS IS ENCOURAGED FOR THE ACQUISITION OF IT PRODUCTS AND SERVICES (SUSTAINING BASE ADMINISTRATIVE. AND BUSINESS INFORMATION SYSTEMS, DESKTOP

SYSTEMS, RUGGEDIZED SYSTEMS, INFRASTRUCTURE, INFORMATION SECURITY, SOFTWARE, ETC.).

AGENCIES WISHING TO BE EXEMPT FROM COORDINATING ON GWAC ORDERS OR WISHING TO ESTABLISH AN ARMY/DOD ENTERPRISE LICENSE MUST REQUEST A WAIVER THROUGH HQDA. ON BEHALF OF HQDA, THE AUTHORITY TO APPROVE THE WAIVER IS DELEGATED TO PM SCP. THE POC FOR PM SCP IS MRS. YVONNE T. JACKSON, PRODUCT MANAGER, SMALL COMPUTER PROGRAM, DSN 987-6791, COMM 732 427-6791.

MY STAFF POC IS MRS. DENISE BAKER, DSN 224-6167, AND COMM 703-614-6167.

LUWANDA JONES, LTC  
SAIS-IAA-S, 614-7928

DAVID BORLAND, VDIR, 695-6604  
CRC:



DEPARTMENT OF THE ARMY  
OFFICE OF THE SECRETARY OF THE ARMY  
107 ARMY PENTAGON  
WASHINGTON DC 20310-0107

Office, Director of Information  
Systems for Command, Control,  
Communications, & Computers

OCT 16 1998

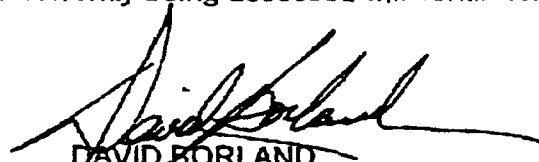
SAIS-IAA

MEMORANDUM THRU US Army Communications-Electronics Command, ATTN:  
AMSEL-DSA-D, COL(P) Ertwine, Fort Monmouth, NJ  
07703-5000

FOR Product Manager, Small Computer Program, ATTN: AMSEL-DSA-SCP

SUBJECT: Designation of Army Point of Contact (POC) for Government-wide Agency Contracts (GWAC), Blanket Purchase Agreements (BPA), and Enterprise License Agreements

1. Reference DISC4 Memorandum; Designation of Army Point of Contact (POC) for Government-wide Agency Contracts, 6 April 1993.
2. The purpose of this memorandum is to re-designate Product Manager, Small Computer Program (PM, SCP) as the single POC within the Army to coordinate all GWAC orders and to expand that designation to include BPA and Enterprise License Agreements. The POC will comply with all responsibilities associated with this designation.
3. Should rationale exist which supports utilization of contracts which do not fall under the purview of the Army POC, a request for waiver shall be submitted to the PM SCP for approval. However, a strong operational or contract specific justification must be clearly supported in the waiver request.
4. As there are significant resource implications associated with the designation of PM, SCP as the POC, the fee for service currently being assessed will continue.

  
DAVID BORLAND  
Vice Director

**ARMY  
PROCUREMENT POLICY  
ALERT BULLETIN  
NO. 97-012  
September 25, 1997**

The enclosed document is forwarded for your information and any necessary implementation.

**ENCLOSURE:**

1. SARD-PP Memorandum, Subject: Indefinite Delivery Contracts, 22 September 1997.

This bulletin is issued by the Office of the Deputy Assistant Secretary of the Army (Procurement). Comments or questions should be referred to Headquarters, Department of the Army, ATTN: SARD-PP, Skyline 6, Suite 916, 5109 Leesburg Pike, Falls Church, VA 22041-3201.

Telephone: (703) 681-1042/DSN 761-1042  
Fax: (703) 681-7580/DSN 761-7580  
E-mail: Betty Wucher: wucherb@sarda.army.mil

Bulletin 97-012 consists of 13 pages.

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22 September 1997

**SARD-PP**

**MEMORANDUM FOR SEE DISTRIBUTION**

**SUBJECT: Indefinite Delivery contracts**

The use of Indefinite Delivery (ID) contracts in all of their various forms has exploded across the Federal government in the last few years, and for good reason—their use generally results in reduced procurement administrative lead-times and delivery schedules, lower contract costs, and a more efficient use of trained acquisition and requirements personnel.

We need to become smart users of ID contracts, both in the designing and executing of Army contracts and in the innovative use of non-Army contracts. We have the opportunity to benefit the Army by quickly buying items and services that meet our requirements and at good prices. This also benefits the Army acquisition community through user satisfaction and by increasing our expertise in what is quickly becoming the principal method of acquiring recurring requirements.

Enclosed are policies, best practices and leads to resources to guide our smart use. Please begin implementing them quickly. This is by no means a comprehensive, final word on the subject; as you find better ways of using ID contracts please let me know of them so they can be included in our policies and best practices.

My action officer is Mr. Curtis Stevenson, (703) 681-1041, [stevensc@sarda.army.mil](mailto:stevensc@sarda.army.mil).

//signed//  
Kenneth J. Oscar  
Acting Assistant Secretary of the Army  
(Research, Development and Acquisition)

Enclosure

DISTRIBUTION: *Deleted to save space - see attached file if required*

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### **Indefinite Delivery Contracts**

#### **Scope.**

The policies and best practices contained in this document apply generally to the full range of indefinite delivery (ID) contracts: Indefinite quantity (IDIQ) contracts; requirements contracts; task and delivery order (TO/DO) contracts; Federal Supply Schedule (FSS) contracts, to include Blanket Purchase Agreements (BPAs); multi-agency and Government-wide Agency Contracts (GWAC), and other types of ordering arrangements.

While the Information Technology domain is making the most innovative use of ID contracts, the potential benefits—and problems—of ID contracts apply to all commodities and services.

#### **Policy.**

The Army shall make the maximum practicable and prudent use of ID contracts, both as a user of non-Army instruments and in the establishing and awarding of such contracts.

The use of ID contracts generally results in reduced procurement administrative lead-times and delivery schedules, a more efficient use of trained acquisition and requirements personnel, and lower contract costs. However, this is not always the case, in particular more favorable contract prices, and Army personnel—both requiring activity



and contracting officials— need to consider all available alternative methods of satisfying a requirement in order to obtain the best business arrangement for the Army.

Do not award a new, single purpose contract if there is an existing ID contract, Army or non-Army, that will satisfy the requirement and represents the best business arrangement for the Army, all factors considered.

The use of any existing Army-awarded ID contracts that will meet a requirement shall be considered when deciding upon the method of satisfying a requirement that provides the best value for the Army.

Develop and award a new ID contract if:

- There are no existing ID contracts that will satisfy a recurring requirement; or
- An Army acquisition organization has a particular expertise in acquiring certain items or services; or
- There are Army-unique requirements that are unlikely to be available on other agency ID contracts.

Permit Army, DoD and other government agencies to place orders against the contract if they are likely to have the same requirement.

#### **Schedule Contracts.**

An advantage to using FSS contracts is that a GSA contracting officer has already determined that the prices in the contracts are fair and reasonable. Therefore, an additional and separate contracting officer's determination of reasonableness is not required. However, while a price may be fair and reasonable, a lower price (and perhaps a better business arrangement) may be available. Market research and discussions with vendors could reveal that substantial discounts are available to high volume buyers and perhaps under other circumstances.

Request reductions to FSS and other schedule contract prices when schedule products are available elsewhere at lower prices, or when the quantity of an individual order clearly indicates the potential for obtaining a reduced price. Consider the schedule price a starting point for further research and possible negotiation. Once the best business deal is identified, consider writing a BPA against the schedule for all potential Army requirements if they are known or can be reasonably estimated.

In order to ensure best value for the Army dollar while effectively using schedule contracts, review products and prices under multiple contracts, and document the basis for the selection. Document the best value determinations when placing orders with other than the low price vendors. The extent of the documentation should be commensurate with the dollar value of the order.

## **Blanket Purchase Agreements.**

BPA's used in conjunction with FSS contracts are a way to satisfy recurring requirements, reduce acquisition costs through quantity discounts, and reduce administrative effort and paperwork. BPA's are negotiated directly with FSS contractors and allow the parties to negotiate special terms and conditions and to agree to best volume discounts, regardless of the size of individual orders. BPA's further reduce administrative lead-time and paperwork and often result in the best overall price and the best overall value.

Buying activities should analyze their use of FSS contracts and where there are recurring requirements, negotiate BPA's. If there is a recurring demand at other MACOMs or Army activities, coordinate requirements and issue MACOM-wide or Army-wide BPA's.

Once BPA's are awarded advise all contracting activities that may use the BPA of its existence, scope, prices and other terms and conditions that have value for the Army; e.g., fully compliant with all Army architecture and standards.

While BPA's are not contracts, they do contain agreed-upon business matters such as the amount of discounts and other terms and conditions, and therefore shall be negotiated and signed by contracting officers directly with FSS vendors.

Additional information from GSA on the use of FSS, to include MAS/BPA "Best Practice Tips" and a model BPA may be found on the Internet at: <http://pub.fss.gsa.gov/fcoc/sched.htm>.

## **Marketing and Past Performance.**

Agency-wide and Government-wide ID contracts with very broad statements of work and schedules have been described as nothing more than licenses to sell. Contractors holding them often vigorously market the instruments. Sometimes the government organization responsible for the instrument does as well, especially if a service-for-fee is involved. Requiring activity and contracting personnel both need to keep this in mind and be aware that marketing efforts may sometimes promise more than the scope of the contract requires or permits. In addition, a marketer's comparative analysis of its product or service with those of competitors is likely to be biased; therefore, perform or obtain independent assessments.

Make sure that placing an award under a particular ID contract is indeed the best solution to satisfying a requirement. Also make sure that items or services being ordered will conform to internal Army requirements such as open systems architecture and other items.

Don't place significant orders against ID contracts without first checking with other

government customers as to the contractor's record for delivering quality items and services as promised and on time. Use of the past performance procedural requirements in FAR 42.15 is not required.

### **Providing and Gaining Access—Electronic Catalogs.**

Publicize Army-awarded ID contracts that permit ordering by other activities on your Internet homepage and the Army Acquisition Website (<http://acqnet.sarda.army.mil/virtshop>). If the contract permits electronic ordering, link it to both the Army Acquisition Website and the ARnet (<http://www.amet.gov/References/References.html#catalog>) where similar contracts awarded by all Government agencies are currently listed.

The Deputy Assistant Secretary of the Army (Procurement) is currently gathering information on Army-awarded ID contracts that allow ordering by others, whether electronic or not. We will list that information on our website in the near future.

Design new ID contracts with EC/EDI in mind and provide for the placement of electronic orders and payment with the IMPAC card. The enclosed March 14, 1997 memo from the Administrator, OFPP provides policy and useful guidance on the award of "electronic catalogs". Note under recommendation seven the statement, "We prefer that every agency place orders directly with the contractor with any reimbursement of agency costs through fees bundled in the price which the contractor would be required to transfer back to the agency..."

### **Competition and Best Value.**

FAR Part 6 does not apply to orders placed against TO/DO contracts entered into pursuant to subpart 16.5, Indefinite-Delivery Contracts, for supplies or services within the scope of the TO or DO contract. By definition ID contracts, and therefore indefinite-quantity contracts, are TO/DO contracts.

Placing a proper order against an ID contract, either single-award or multiple-award, does not require a separate synopsis of the intent to place an order, nor a competition, nor a Justification and Approval of no competition other than what may have been used for entering into the contract. However, for orders against multiple award contracts all contractors awarded such contracts shall be afforded a fair opportunity to be considered for award of the order. The method by which contractors are given their opportunity shall be stated in the solicitation and contract.

While no CICA-type competition (FAR Part 6) is required when placing orders against ID contracts, the contracting officer must make a determination that the price is fair and reasonable (except for FSS contracts) and that placing an order will result in the best value for the Army.

In order to ensure best value, review products, other terms and conditions, and prices

under multiple contracts and other ordering arrangements, including any available Army contracts. Decisions not to consider multiple contracts or ordering arrangements must be justified and documented, but a FAR Part 6 J&A is not required. Document the best value determinations when placing orders with other than the low price vendors. The extent of the documentation should be commensurate with the dollar value of the order.

Request reductions to prices on ID contracts when the same or similar items and services are available elsewhere at lower prices, or when the size of an individual order clearly indicates the potential for obtaining a reduced price. Consider a published price as a starting point for additional market research and possible negotiation.

Consider any fees charged by the servicing agency when determining whether placing an order under an existing ID contract is the best and most cost effective method of satisfying a requirement. Note that government servicing agencies may be willing to negotiate the amount of the fees they charge.

#### **Fees.**

Government agencies may both charge and pay reasonable fees associated with the actual costs of services performed for or by other government agencies.

Guidance on calculating the fee to be charged is in the DoD Financial Management Regulation, DoD FMR 7000.14-R. Vol. 11B covers working capital organizations and Vol. 11A is for other organizations. Consult with your servicing financial management and legal offices for assistance in calculating the rates. In addition, the DoD Comptroller publishes reimbursement rates for some activities, including contract administration services (<http://www.dtic.mil/comptroller>).

#### **Small Businesses and Mandatory Sources.**

When placing orders against ID contracts and when establishing BPAs give preference to small, 8(a) and women-owned business concerns when their products or services meet your requirements and offer equally good value as those of other businesses. Keep in mind the Army's obligations towards meeting our socio- economic goals.

While the Army strongly endorses the use of ID contracts, the order of priority in FAR 8.001 and 8.002 and corresponding DFARS cites for the use of Government supply sources shall be observed.

#### **Economy Act.**

When funds are sent to another, non-Army government organization for the fulfilling of requirements by the placing of orders or otherwise, the Economy Act applies. An exception provided by the Clinger-Cohen Act is for requirements and funds sent to GSA for IT. The Act does not apply when orders are placed directly with, and funds are paid

to, a contractor.

**Other References and Sources.**

OFPP Best Practices for Multiple Award Task and Delivery Order Contracting. Interim Edition dated July 1997. Available at: <http://www.amet.gov/BestP/BestPMAT.html>

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EXECUTIVE OFFICE OF THE PRESIDENT  
OFFICE OF MANAGEMENT AND BUDGET  
WASHINGTON, D.C. 20503

OFFICE OF FEDERAL PROCUREMENT POLICY

March 14, 1997

MEMORANDUM FOR: AGENCY SENIOR PROCUREMENT EXECUTIVES  
AND THE ACTING DEPUTY UNDER SECRETARY  
OF DEFENSE (ACQUISITION REFORM)

FROM: Steven Kelman, Administrator

SUBJECT: Electronic Catalogs

Electronic catalogs have become a prime method for us to take advantage of the operational efficiencies offered by evolving electronic commerce technologies. I encourage you, in your efforts to provide greater value to the taxpayer, to aggressively promote the use of Federal electronic catalogs. As our use of this evolving technology increases, however, there is a corresponding need for greater interagency coordination to maximize the effective use of electronic catalogs.

For purposes of this memo, I am defining a "Federal electronic catalog" as a Web-based electronic ordering system which involves:

- a contract with pre-established business arrangements with industry;
- a means for the customer to identify and order goods and services, either from within an agency (intra-agency) or by more than one agency (inter-agency); and
- sufficient information (updated to reflect changes) for the customer to compare the items offered by performance, price and delivery.

Over the years, Federal agencies have increased both the amount of electronically available product information and the number of electronic ordering opportunities. Initially this was done via electronic bulletin boards, where user access was limited and

product information typically was text-based. We have made great strides as Federal agencies have developed catalog systems accessible to all through the World Wide Web. The Web allows users to access information and data on products from multiple Web-sites, often directly from the manufacturer.

Cutbacks, deficit reduction actions, and our ongoing quest for improved efficiencies have encouraged major purchasing agencies to move toward Web-based electronic catalogs. As a result, a number of Federal agencies, including General Services Administration (GSA), Defense Logistics Agency (DLA), and the National Institutes of Health (NIH), have begun projects to move some or most of their indefinite delivery/indefinite quantity contracts to Web-based electronic catalogs. OFPP is monitoring the various multi-agency contracting strategies now being employed by GSA, VA, and other agencies to better understand their impact and overall effectiveness. The Director, OMB recently issued guidance on the use of multi-agency contracting for information technology in implementation of the Information Technology Management Reform Act of 1996 (OMB Memorandum M-97-07 dated February 26, 1997). OMB continues to review procurement-related matters on the use of multi agency contracts and will issue additional guidance in the future as appropriate.

Electronic catalogs offer two advantages. They require fewer resources to make repetitive purchases. And they offer opportunities for agencies to pursue more effective purchasing strategies. They can help us leverage our buying power through volume purchasing. Alternatively, they enable government customers to make "spot" purchases with on-line comparisons of the price, features, and performance of similar products and services.

In the fall of 1995, I formed an interagency task force to develop recommendations for Federal electronic catalogs. Several months ago, the group presented a report with guidelines and recommendations for Federal electronic catalogs. (Please contact Tony Trenkle at 202-501-1667 or [tony.trenkle@gsa.gov](mailto:tony.trenkle@gsa.gov) if you would like a copy of the task force report.) The task force recommends that you:

1. Link your existing contracts which support electronic orders to the ARNet. (See catalogs: <http://www.amet.gov/References/References.html#catalog>). This includes both intra and inter-agency contracts. All electronic catalogs should be linked from ARNet, as well as provide a link to ARNet that will enable a user to access other Federal electronic catalogs. The objective is to allow the buyer to easily compare multiple catalog products, prices, and delivery schedules.

2. Create a common look and feel for new electronic catalogs. My intent is not to change existing contract displays. However, new catalogs should provide product listing, access, and search capabilities that are similar to GSA Advantage! or DLA's Electronic Mall so that buyers do not have to relearn commands each time they view a contract.

3. Use the American National Standards Institute (ANSI) Electronic Data Interchange (EDI) standard transaction set for Price/Sales Catalog 832. When EDI is used, this industry standard should be the methodology for creating a single face to industry for the purpose of integrating a Federal electronic catalog system with vendors who participate in it. Industry should be able to use normal commercial means for transmitting EDI transactions to the Federal electronic catalog system.

4. Provide the option of using the IMPAC card and other electronic payment methods appropriate for orders over the micro purchase threshold.

5. Use a flexible and non-proprietary (if possible) system architecture that can easily adapt to emerging Internet technologies. A flexible architecture allows for the widest possible access to data and distributed data storage, and does not limit the breadth and scope of the products and services which may be made available to the federal customer.

6. Use appropriate commercial technologies for security commensurate with the risk of misuse on the Internet and payment methodology.

7. Work towards a common method of placing orders. Agencies are experiencing problems with the differing scenarios for order placement (e.g., either directly to the vendor, with or without coordination with the awarding agency). We prefer that every agency place orders directly with the contractor with any reimbursement of agency costs through fees bundled in the price, which the contractor would be required to transfer back to the agency along with any other reporting the agency requires. Hardcopy orders should be acceptable in any format so long as the correct data elements are included.

I also ask that you work within your agency to make program people with access to purchase cards aware of the significant price savings, and often time savings as well, by buying products through electronic catalogs rather than retail outlets. The government has sufficient buying power so that we should be able to do better than the retail prices any individual consumer could obtain. I will be sharing this memo with your Deputy Secretaries to request their cooperation with you in getting this message out.

I am requesting the Interagency Acquisition Internet Council (IAIC) to form a working group to further develop and implement the task force's recommendations for Federal Electronic Catalogs. (The IAIC is sponsored by the Procurement Executives Association and is developing interagency strategies for maximizing the use of acquisition information and databases on the Internet. See the IAIC homepage at <http://www.amet.gov/IAIC/>.) If your agency has or is planning an electronic catalog, please provide the name of an individual to serve on the work group to Ken Stepka (202-358-0492) or [ken.stepka@hq.nasa.gov](mailto:ken.stepka@hq.nasa.gov) by April 30. The IAIC work group will provide progress reports to the Electronic Commerce Program Office.

Your support and cooperation on this important effort are appreciated.

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DEPARTMENT OF THE ARMY  
OFFICE OF THE SECRETARY OF THE ARMY  
WASHINGTON, DC 20315-5000



April 6, 1993

Office, Director of Information  
Systems for Command, Control,  
Communications, & Computers

SAIS-AE

MEMORANDUM THRU

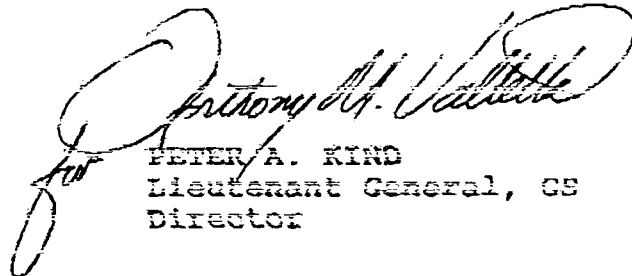
INFORMATION SYSTEMS COMMAND, ATTN: ASPL-P, FORT HUACHUCA,  
AZ 85613

PROGRAM MANAGER, ARMY INFORMATION SYSTEMS, ATTN: ASQM-CG  
(BG WYNN); FORT HUACHUCA, AZ 85613

FOR PRODUCT MANAGER, JOINT SERVICE COMPUTER PROGRAM, FORT  
MONMOUTH, NJ 07703

SUBJECT: Designation of Army Point of Contact (POC) for  
Government-wide Agency Contracts (GWAC)

1. Reference Federal Information Resources Management Regulation (FIRMR) Bulletin C-24, Revision 1, dated July 14, 1992.
2. In accordance with reference, the Product Manager, Joint Service Computer Program is hereby designated as the single POC within the Army to coordinate all GWAC orders. The POC will comply with the responsibilities delineated in paragraph 15 of reference.
3. Since there are resource implications associated with the designation of PM, JSCP as the POC, recommend the POC work with my staff and Information Systems Command to investigate implementation of fee for service.

  
PETER A. KIND  
Lieutenant General, GS  
Director

CF:  
NASA, Goddard Space Flight Center